

Greater Memphis Workforce Development Board

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Greater Memphis Workforce Development Board

Executive Committee Meeting Agenda

Wednesday, February 14, 2024, 9:00 a.m.

Virtual (Microsoft Teams)

- I. Call to Order – Meka Egwuekwe
- II. Welcome & Roll Call – Latasha Harris
- III. Financial Report/Status – Fiscal Agent
- IV. Business Services Committee Report – Angela Massey
- V. New Business -Meka Egwuekwe
 - REA Discussion (Jackson Ave location)
 - AJC Relocation
 - Tour of Crosstown Concourse (2PM)
 - Special Called Meeting, Friday, February 23, 2024 (Tentative)
 - Standing Committee Formation (Executive Director Search)
 - New Board Appointments
- VI. Interim Executive Director Updates- Amber Covington
 - Local/Regional Planning
 - RFP (A/DW, Youth and Business Services)
 - MOU/IFA
 - Resolving Corrective Action (Previous Administrator)
 - Workforce board member survey
 - State workforce board meeting (Friday, March 22, 2024)
- VII. Board Chair Comments- Meka Egwuekwe
- VIII. Adjourn

Greater Memphis

Workforce Development Board

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Greater Memphis Local Workforce Development Board Executive Committee

Meeting Minutes

February 14, 2024

Meeting called to order at 9:01 a.m.

Roll Call – Latasha Harris

Committee Members: Meka Egwuekwe, Latasha Harris, Carlos Mendoza, Angela Massey, Ben Adams, Jackara Jones, Ron Wade, Tina Richmond, Antoinette Story

Greater Memphis Chamber: Ted Townsend, Ted Ferris, Amber Covington, Sondra Howell, Kendra Kea, Chris Stewart, Stephanie Ferrell

New Business

Financial Report - Ted Ferris, Senior Vice President and CEO, Greater Memphis Chamber

- First update since closeout on Jan. 31, 2024
- All contracts are not signed
- No funds have been pulled down at this point
- Thanked Chris Stewart and Kendra Key for putting aside their Chamber work until nights and weekends to focus on GMLWDB needs. Grateful for board member Tina Richmond for helping to get the financial report ready.
- The Chamber has spent its own operating funds to keep the lights, the phones and supplies flowing to the AJCs, though it will not be able to sustain this.
- Ted Ferris, Amber Covington, and Sondra Howell met to discuss what the finance responsibilities could be moving forward.
 - o The Chamber and its finance department will still be an entity. These responsibilities have proven to be huge, so finance needs its own team. This needs to be built as soon as possible.
 - o Then there is the Workforce Board and administration.
- As far as the relocation of the Angelus AJC is concerned, the board will need to decide on the timing and how we pull the funds to get that done.
- We have \$7.2 million of funds available that will be administered over the next six months or so.
 - o The adults' segment has \$2.3 million.
 - o Dislocated workers has \$1.7 million

- Youth has \$3.2 million.
- There are two different buckets for dislocated workers: one with \$2.3 million in this grant. None is obligated at this point. There is another dislocated worker \$1.6 million in this grant.
- The youth grant has \$3.2 million that hasn't been expended. Nothing is obligated at this point but this will change in February.
- Summer youth employment program is \$2.2 million.
- The senior community service employment program has \$284,000.
- Reemployment services and eligibility assessment has \$113,000
- The apprentice program has \$85,000.

Response

Meka Egwuekwe: The executive committee needs to be able to explain the budget to the board.

Amber Covington:

- All of the contracts are restarting with available balances.
- Contractual amounts from January through June 30th of this year are currently being inserted into the contracts. This is the transfer of funds just completed from Workforce MidSouth to the Chamber at this point.
- Now we're in the stage of where we can give providers their contracts. The goal is for contracts to be in their hands next week from their prior available balances.
- Equus' available balance will be decreased because right now they have almost \$5,000,000 remaining and they won't be able to expend that by June 30th.
- For the financial report slides which said that all providers are at \$0 expenditure, they're all submitting invoices tomorrow for January to the Chamber.
- At the next meeting this information will be updated on the financial report.
- These are cost reimbursement contracts. Any January expenditures, for example, will be submitted on the 15th of the next month. There's always a delay.
- This is what's key to drawing down the money to pay this. We put them in by the 15th. They pay us and if everything goes through the systems correctly without any questions, they will pay us in two weeks. From the 15th we have 45 days to pay the contracts. Our goal is to internally expedite there's not a 45- day payment process.

Future reports will be on the previous month and year-to-date. The information isn't always going to come in real time because they do have 45 days to pay those invoices out. It's never going to line up exactly. It's not on an accrual basis, but cash flow basis.

- Sondra explained the transition numbers we're talking about closed out on the 31st of January, so it just transitioned. The final numbers didn't come in until a few days ago. We have our contract with the state in place, so everything is now uploaded. The first drawdown of funds is as of Friday. Funds will begin flowing where we can start getting funds back into the Chamber's bank account. Then we can get a protocol in place where we won't be in this deficit space moving forward.

Ben Adams asked what expended, obligated and unobligated mean on the reports.

- Amber explained the three categories: unobligated, obligated and expended. For example, you have \$1,000,000 and \$500,000 that's unobligated. We don't know where that money is going to go.

We're going to spend it on supportive services of operational cost. Then let's say you have another \$250,000 that's obligated. We know we have contracts with a janitorial service and we have some incumbent worker contracts where we've already obligated \$250,000 to those contracts. We haven't technically expended in invoice and actually paid those vendors yet. Then expenditures is the amount of money that we've actually paid out.

Ben Adams asked to confirm that we don't have the \$7 million from the state, but that we'll get it as we go. Ted Ferris agreed.

Ted, Amber and Sondra further explained that this is like a big line of credit.

Sondra commented that the money shows on their books as obligated to the Memphis Area Workforce Development Area. We draw it down as we need it as long as we stay within those budget guidelines. It takes approximately 2 weeks to receive once we submit the request for a drawdown (for them to review our requests, etc.) and then it's directly deposited into our bank account, which Ted and his team has set up a separate account solely for WIOA work. These monies will not commingle with the Chamber's money.

Amber clarified a couple of points in the presentation today. There is funding for relocation. If we were to relocate, all our partners would have to agree through our MOU IFA agreement. The state has shared with us that they will help support us as far as cost if we have to make a move. We do have funding for the senior employment program. The program is currently on pause as we identify another service provider for that particular program. There is an entity that's very interested, but we're waiting on the state to answer a few questions. The state is waiting on the federal project officer to answer those questions. We are waiting on the feds to ensure that we can move forward because we want to get that program going sooner rather than later.

Ted emphasized that the Chamber doesn't have a pot of money to where we could suddenly rent, hire trucks, hire movers, etc. His recommendation is if there is a move with Angelus that we hire somebody to do that. He requested of the board to allocate funds for a project manager to move this relocation if it's not already in the budget.

Meka welcomed a motion to accept this financial report. Ron Wade moved. Ben Adams seconded the motion. The motion was passed unanimously.

Business Services Report – Angela Massey

She did not have the report today because Jobs4TN was down and Roderick Woody couldn't get the data. She was able to meet with Mr. Woody and she does have a good understanding of the report, but the Board needs to see it.

Amber added that Jobs4TN is down until Feb. 20th or 21st due to a system upgrade. Also, Roderick Woody is leaving the AJC for another opportunity. She and Angela will need to figure out to work with at the AJC on compiling the report.

Ted Townsend, President and CEO of the Greater Memphis Chamber – 3230 Jackson Ave. Facility Discussion

The Chamber launched a strategic plan last year called Prosper Memphis. We have big goals that we hope to accomplish by the end of 2030. One is to attract 700 new advanced industry companies to our region, with the expected goal of announcing 50,000 net new jobs to our economy. But the ability to do that requires a speed of need workforce and we've already added a lot of pressure on the supply side of training development with the announcement of Blue Oval City and many other projects in the last few years. Our pipeline is as busy as it's ever been. I don't see this changing anytime soon and in fact the Chamber was in partnership with the state of Mississippi, part of the winning team that got the most recent battery plan announcement. It's a joint venture with Cummins, Daimler and Picara and that's another 2000 jobs just south to our border. There is a lot of demand right now and there will continue to be in the future. We have to build this workforce and over the last three years now, the Chamber and our leadership to include the Chairman Circle Investors have embarked on bringing an accelerated training model to the region. This would be the state of Tennessee's first accelerated training center. We have an incredible opportunity that's based on a best practice national model that we found in Orlando at Valencia State Community College. Memphis deserves this, quite frankly.

We have added several components to what Amber discussed as a one stop shop. We want to make sure that we get the full value of this 104,000 square foot facility. It is truly a wraparound service type of opportunity so that anyone, no matter the socioeconomic background or skills attainment level, can walk through that door and be served by our partners all under one roof. If they have childcare needs --- we're going to have a childcare drop in. If they need to get their high school diploma, they're going to go through Goodwill Excel, but they'll also have access to world class training opportunities as funded through the Good Jobs grant. As you know, we were able to retain that grant, which was in jeopardy of being lost. U of M is the leading partner on that. We're going to focus on skills attainment and manufacturing, supply chain, logistics, construction and skilled trades and other technology fields.

We have received a partnership donation from the Belz Family Enterprise. They own the shopping center containing the Jackson Ave facility. The original plan was for them to donate the building to the Memphis Chamber Foundation. We have created a new pathway of owning the building outright and we expect to close on that transaction within the next 60 days. We are prepping and moving everything forward with the hope that we will have our major anchor tenants ready to go. Those anchor tenants are the Goodwill Excel Center, the University of Memphis, and hopefully an American Job Center. The board last year did approve a five-year letter of intent on the space, but it was never signed. We are asking respectfully that this board, as newly reconstituted, consider signing the five-year LOI or approving it and signing it, giving Director Covington the ability to sign the document. A lease and the terms of that lease will come out of that document.

Why is this useful to the Chamber? We are obviously looking to build out this square footage. We're looking at nearly \$16,000,000 going into the facility to fully build it out and meet the requirements of all of our tenants. We have to raise capital. We've been raising capital. We've raised to date about \$1.7 million from private and philanthropic sources. We also know that we have to do traditional financing and we've been talking with financial institutions. For these entities to have confidence to move forward, they like to have executed letters of intent from our major anchor tenants. This will go a long way to giving us the ability to secure traditional financing for construction loans that will allow us to begin the process. We expect to close on the transaction of acquiring the facility from Belz through a purchase versus a gift. We will be underway getting construction ready. There is a sense of urgency with

the University of Memphis and Good Jobs to get equipment and programming underway at least in the second quarter. That's a very aggressive timeline.

Response

Meka made the clarification that ultimately the greater board will need to authorize Amber to sign an LOI which is consistent with the spirit of what the board had approved last year.

Ted said there is a new iteration of the LOI that can be shared with the Workforce board.

Sondra asked if we can have the renderings up at the next in person and do a site visit after the meeting. Ted said this could be accommodated.

Meka introduced the idea of having a special called meeting on Friday the 23rd, so that Amber is equipped to strike as soon as all the pieces are in place. Ultimately the board would still have to vote on it.

Ben Adams asked if there could be three or four people who are not part of the Chamber and are familiar with this project prepared to make a recommendation to the full board.

Meka said a specially called meeting has to be called done at least five business days prior to the meeting according to our bylaws. We don't want people to have anxiety about it, but we should maximize the information we provide so that we can allay concerns. We could invite board members prior to the meeting to reach out to him or to Amber with questions that they may have. If there are any board members still around who were part of the discussion last year, they could help move the vote along.

Meka requested a motion to have a special called meeting to address this REA discussion for Jackson Ave. Angela Massey made the motion and Ben Adams seconded. The motion passed unanimously.

AJC Relocation – Amber Covington

Over the past two to three weeks, some of the staff, some of the executive committee, and she have gone to various sites to look at potential relocation of the Angelus site. The Angelus site itself has a lot of challenges. They're still having problems with leaks. There are only 10 parking spaces, which is insufficient for 40 staff members. Debris is still falling from the ceiling due to people working out from above at Planet Fitness. The Internet is an issue. Everyone can't use the Internet simultaneously, which leads to a delay of services to our constituents that enter that building or individuals that may be calling in. If the Internet goes down completely, there's no phone service. People in that building don't have cell service. If there's an emergency, no one can call out. There are no exits in the back of the building,

The TCAT would have been a great location and easy for relocation, but the flow of the building wasn't conducive to what we needed for an American Job Center.

Southwest Tennessee Community College in Whitehaven was a very nice facility, but they didn't have enough space for us. It would be a great access point in the future.

The tour of Crosstown Concourse space on the 6th floor in the East atrium is today at 2 p.m. This space is already furnished. There's enough office space, cubicles, and a conference room. They have 17,000 square feet.

One of the challenges with Angelus is that the traffic flow is not there because of parking. People don't know where Angelus is. With Crosstown, there are already other nonprofits that are in the building. It's a mixed-use development facility. Amber spoke with a couple of people on a national level who said that there are maybe one or two places like this as far as an American Job Center being housed across the entire country, so this could potentially be something very transformative, not only for our region and the state, but on a national scale. We still would move into 3230 Jackson, but this is an opportunity to have a second center in the Memphis area, because right now there's only one in Shelby County, where there used to be three.

If this is an option, then this is something we want to bring forth in the special meeting on the 23rd to be able to vote on as a board as a move. We would have to decide as a board if a move would be temporary or long term?

The market rental rate is \$18.00 per square foot. The broker says he can work with us to talk that rate down if we have an interest. If this is a space we want to go to, this should be put forth as a recommendation in the February 23rd special meeting.

Meka clarified that the ask is for us to include this on the agenda for the special call meeting and for the board to approve this relocation.

Ron Wade remarked that he is excited about the idea of Crosstown Concourse, particularly in the long term, because it's a bustling place and good for people who need a first-time job, or a better job to improve their status.

Amber said there is talk about increasing the bus routes in the Crosstown area.

Meka said Commissioner Thomas is certainly aware of the concerns of the Angelus location.

Meka called for a motion to include the topic of the A JC relocation on the agenda for the special call meeting that we've already approved for Friday of next week.

Ben expressed concern that the board members may not understand how we could have two locations and pay for them. He wants them to understand that it would be normal to have two locations.

Ben Adams made the motion. Ron Wade seconded the motion. The motion passed unanimously.

Meka reiterated that there will be a special called meeting on the 23rd with two items on the agenda: the 3230 Jackson Ave. location and AJC relocation.

Standing Committee Formation

Meka appointed Ben Adams to be the chair of the Committee for Permanent Executive Director Search Director. The Chair of the committee must be a board member, but the members of the committee are not required to be board members. He appointed Sarah Lockridge Steckel, who was the CEO for the Collective Blueprint to serve on that committee. Jakara Jones and Tracy Robinson are also invited to serve on that committee.

Amber included two sample job descriptions for the executive director, and invited Ben Adams to connect with our consultant, Diane Pabich. The first step is to create the job description and determine

if it's appropriate for the position. Then, ensure that it is posted to Jobs4TN and at least one other recruiting source.

Meka brought forth that we still have an open position for Lauderdale County that needs to be filled. He shared that Monroe Ballard, who has been a board member, has been non-responsive on renewing his board appointment. Meka intends to nominate Sarah Lockridge-Steckel to replace Ballard and commits to Amber to submit her name to the mayor.

Amber added that Paul Schaffer, who's one of our labor representatives, has retired. Kevin Bradshaw, who's on the board as another labor representative nominated Corey Hester for that open seat. We have to keep a 20% workforce representative ratio on the workforce board. It was suggested to her that Susan Worles, who is the executive director for the Lauderdale County Chamber up there may be a good person to put forth for the Lauderdale County seat.

Executive Director Update – Amber Covington

We are amid local and regional planning. She is working with our consultant on getting everybody's ideas together from brainstorming and inserting them into the 2024-2027 strategic plan. She hopes to have the draft given to everyone by the end of next week. She will share the draft with the Workforce Board to get their insight into this local plan. The plan is due for public comment by March 8th. The regional directors for West Tennessee have been working very heavily on the regional portion of the plan. The local plan in some ways will align to the regional plan to the state plan. The state plan was released last week so she will send it to the executive committee.

We're going to have to release RFP's very soon. We've been talking this week about what that looks like. She has talked with some other people around the country who are about to go through this process. We have to release them for adult dislocated worker, youth programs, and one stop operator. We're still looking at metro versus rural because we want to see how we can increase our engagement in the rural areas. The Commissioner has tasked us to come up with strategies to better serve our rural areas. There may be opportunity for even more funding to come down if we can come up with creative ways on how to serve individuals and our other three counties.

The plan is to release RFP's in early March. We're trying to secure a vendor right now to be able to compile that process and develop that process for us. We would give bidders 30 days to submit their proposals. There will be an evaluation assessment process by the vendor that we select to conduct that process with hopes that in late April, we may have called another special meeting because we would want to notify anyone that has won those proposals by May 1. All these contracts will start by July 1, so we need to give potential service providers time to prepare, because we don't know until we go through the process if we're going to keep our current providers or if we're going to have new providers or a mixture. We want to give them at least 60 days to be able to ramp up for that July 1 start date.

MOU IFA - She is having a meeting on Friday with all the core partners and other partners inside of the AJC about the Memorandum of Understanding procedures and the Infrastructure Funding Agreement process. She found out yesterday from the state that we're supposed to meet quarterly to go over any changes as far as partnership or the budget. We want to make sure to get those meetings on track. MOU and IFA is due every year at the start of the program year. We need to ensure that our new agreements are sent up to the state by May 31st to give them time to review, and then we'll be able to

make those changes and obtain all the proper signatures to ensure that the MOU IFA is in place by July 1. We can have a training about what this entails.

Meka clarified that there is Title One, Title Two, Title Three, and Title Four partners that are sharing space. This MOU is just an agreement amongst them to say who's going to pay for what percentage of that in terms of the space and the other infrastructure elements.

Amber said that Title One, WIOA and Title Three carries the bulk of those costs. Title Two is very limited in funding, but there's a way that they can provide non-cash.

Ron Wade offered to send Amber all the dates for 2024 from the State Workforce Board meeting on March 22. It would be valuable to know those dates and then be able to ask the Commissioner to make any clarifications.

Greater Memphis is under corrective action which had a lot to do with the previous administrator. Under this new entity we are working to resolve those corrective action. One of those actions was a cyber breach where a payment went to a fraudulent account. This is currently being rectified. Equus was the entity that's owed that funding and the County mayor's office is ensuring that they are paid as soon as possible or by the first week of March. The other corrective action was about how equipment and inventory were being managed under the previous administrator. We now have someone under contract that's going to help us get the inventory tagged. Then, we'll be able to send some correspondence to the state showing a list of all the equipment and that everything is tagged.

Please complete the board member survey by next Friday. We're trying to collect contact information for everyone just to ensure that we have a database of everyone's e-mail addresses, phone numbers, and information about you. We want to learn who our workforce board is and be able to share some of that information on our website as well.

The State Workforce Board meeting is on Friday, March 22nd. The Commissioner is looking for us to talk about our successes and how we're continuing to move forward. They want to hear how we have helped to get the train back on the tracks here in Greater Memphis. Tipton County requested when all of this happened back in November to be moved out of the Greater Memphis region. From a state perspective, it's likely that's not going to happen. Robin Seeley and Mayor Huffman in Tipton County have been advocates for Greater Memphis.

The state was in attendance at the last workforce board meeting in January, and they said that was one of the best workforce meetings they've seen across the entire state in a long time.

The meeting was adjourned at 10:29.